



DEPARTMENT OF CONSERVATION

DIRECTOR'S OFFICE

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December 5, 2005

NOTICE

To: All Interested Parties

Subject: 2006 Processing Fees

Section 14575 of the Public Resources Code (PRC) requires the Department of Conservation (Department) to establish a processing payment and a processing fee for any beverage container type that has a scrap value less than the cost of recycling. (The Department makes processing payments to processors. Processors pay recyclers the entire processing payment. Beverage manufacturers pay processing fees to the Department.) This Notice announces the 2006 processing fees.

Pursuant to PRC Section 14575, the calculation of the 2006 processing payments is based on the difference between the scrap values offered to recyclers and the sum of the actual costs of recycling for certified recycling centers, excluding centers receiving handling fees, plus a reasonable financial return.

Scrap values are based on the average scrap values paid to recyclers for the period between October 1, 2004, and September 30, 2005.

Other than as specified in Section 14575(f), Section 14575(e) provides that a processing fee will equal 65 percent of the processing payment. Section 14575(f) provides that a processing fee be equal to a specified percentage of a processing payment based on the recycling rate for the specific material.

Section 14575(k) directs the Department to reduce total processing fees for glass and PET plastic if sufficient surplus funds remain in the respective processing fee accounts and if the recycling rates equaled or exceeded 45 percent in the preceding calendar year. Based on the 2004 calendar year glass recycling rate, the glass processing fee has been reduced.

The processing fees shown on the following page become effective January 1, 2006.

2006 Processing Fees per Container Sold	
(effective January 1, 2006)	
Glass	\$0.00229
Plastic	
#1 – PET (Polyethylene Terephthalate)	\$0.00159
#2 – HDPE (High Density Polyethylene)	\$0.00503
#3 – PVC (Polyvinyl Chloride)	\$0.05501
#4 – LDPE (Low Density Polyethylene)	\$0.01181
#5 – PP (Polypropylene)	\$0.02480
#6 – PS (Polystyrene)	\$0.01437
#7 – Other	\$0.03664
Bi-metal	\$0.02557

Table 1, attached, shows the following detailed information for glass, plastic, and bimetal beverage containers:

- The cost of recycling
- The scrap value paid to recyclers
- The processing payment (if any)
- The processing fee payable by manufacturers (if any)

Note to beverage manufacturers: Pursuant to PRC Section 14575(h), beverage manufacturers shall pay applicable processing fees for each container sold or transferred to a distributor or dealer within 40 days of the sale.

To review notices of changes impacting participants in the beverage container recycling program, please visit the Department's Beverage Container Recycling Program home page on the Internet at www.consrv.ca.gov/dor/index.htm or call the Division of Recycling at (916) 323-3836.

For further information on the determination of processing fees, please contact Mr. Chuck Seidler, Market Research Branch, Division of Recycling, at (916) 327-7599. If you have questions concerning processing fee reporting requirements, please contact your assigned account representative in the Client Services Section at (916) 327-7361.

Bridgett Luther
Director

Attachment

Table I 2006 Processing Fees Effective January 1, 2006 Glass, Bimetal and Plastic									
	Glass	Plastic							Bimetal
		PET	HDPE	Vinyl	LDPE	PP	PS	Other	
Cost of Recycling per Ton with Reasonable Financial Return	\$86.93	\$520.10	\$708.20	\$1,669.72	\$1,992.10	\$853.37	\$3,217.53	\$1,333.13	\$639.99
Scrap Value per Ton	\$3.25	\$293.71	\$305.55	\$10.83	\$480.52	\$166.60	\$132.02	\$ 59.16	\$10.55
Processing Payments to Recyclers									
Processing Payment Per Ton Redeemed	\$83.68	\$226.39	\$402.65	\$1,658.89	\$1,511.58	\$686.77	\$3,085.51	\$1,273.97	\$629.44
Processing Payment Per Pound Redeemed	\$0.04184	\$0.11320	\$0.20133	\$0.82945	\$0.75579	\$0.34339	\$1.54276	\$0.63699	\$0.31472
Containers Per Pound	1.83	12.8	5.6	9.8	41.6	9.0	69.8	11.3	8.0
Processing Payment Per Container	\$0.02286	\$0.00884	\$0.03595	\$0.08464	\$0.01817	\$0.03815	\$0.02210	\$0.05637	\$0.03934
Processing Fees to be Paid by Beverage Manufacturers									
Manufacturers' Percentage of Processing Payment	13%	18%	14%	65%	65%	65%	65%	65%	65%
Processing Fee Pursuant to Section 14575(f)	\$0.00297	\$0.00159	\$0.00503	\$0.05501	\$0.01181	\$0.02480	\$0.01437	\$0.03664	\$0.02557
Section 14575(k) Processing Fee Reduction	\$0.00068	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Processing Fee to be Paid by Beverage Manufacturers	\$0.00229	\$0.00159	\$0.00503	\$0.05501	\$0.01181	\$0.02480	\$0.01437	\$0.03664	\$0.02557